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ATTORNEY FOR Receiver

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN MARIANA ISLANDS**

U.S.A. FANTER CORPORATION, LTD.,	:	CIVIL CASE NO. 1:20-CV-00003
Plaintiff,	:	
-v-	:	
IMPERIAL PACIFIC INTERNATIONAL	:	
(CNMI), LLC,	:	
Defendant.	:	

AMENDED INTERIM REPORT OF RECEIVER

At the direction of the Court, the Receiver, Clear Management, Ltd., hereby submits its interim report.

1. Claims against Imperial Pacific, Inc. ("IPI")

On October 8, 2022, the Receiver sent an email message to all entities which have entered an appearance in this case as creditors of Imperial Pacific. The text of the email message is appended hereto.

Here is a summary of the responses received:

(a) Sardini Group, Inc. has a claim against IPI for breach of contract for construction design. The amount of the claim is \$1,901,307.00. The claim is pending before this Court in case no. 21-cv-0007. Trial is scheduled to resume on December 5, 2022.

(b) Art Man Environmental Corporation has a claim against IPI on a construction contract. The amount of the claim is \$83,555.78. The claim was reduced to judgment in CNMI Superior Court case no. 21-0078. Art Man has notified this Court of its intent to participate in the receivership, ECF 151.

(c) Winzy Corporation has a claim against IPI arising out of a contract for construction consulting. The current dollar amount of the claim is \$179,217.50. This Court entered a judgment upon the claim in case no. 1:20-0028. Winzy Corporation has notified this Court of its intent to participate in the receivership, ECF 150.

(d) J.M. Aquino, P.C. has a claim against IPI for engineering services. The current dollar amount of the claim is \$190,648.00. The case was voluntarily dismissed, without prejudice. J.M. Aquino, P.C., notified this Court of its intent to participate in the receivership, ECF 149.

(e) Tang's Corp., has a claim against IPI pursuant to a contract for construction and consulting services. The current dollar amount of the claim is \$331,023.52. Trial of the case is scheduled for December 5. Tang's Corp. notified this Court of its intent to participate in the receivership, ECF 147.

(f) Zhen's Corp., has a claim against IPI for unpaid meals. The current dollar amount of the claim is \$10,202.95. No litigation is pending. Zhen's Corp. notified this Court of its intent to participate in the receivership, ECF 146.

(g) Yantze Corp., has a claim against IPI upon a construction contract. The current dollar amount of the claim is \$248,000.00. The case is now pending before the CNMI Superior Court, case no. 20-0014. Yantze Corp. notified this Court of its intent to participate in the receivership, ECF 145.

(h) RC, LLC, has a claim against IPI for manpower services. The current dollar amount of the claim is \$69,722.25 plus 9% interest. The claim has been reduced to judgment in CNMI

Superior Court case no. 20-0356. RC, LLC, has notified this Court of its intent to participate in the receivership, ECF 144.

(i) Yu's, LLC, has a claim against IPI for vehicle maintenance and report. The current dollar amount of the claim is \$38,512.00 plus 9% interest. The claim has been reduced to judgment in CNMI Superior Court case no. 20-0177. Yu's, LLC, has notified this Court of its intent to participate in the receivership, ECF 143.

(j) Ping Shun Corporation has a claim against IPI for food services. The amount of the claim is \$443,900.50. This Court entered a Final Judgment in case no. 1:20-012. That judgment was vacated by the U.S. Court of Appeals for the Ninth Circuit, but this Court subsequently granted partial summary judgment for \$263,000.00. No final judgment has been entered.

(k) Donald R. Browne has a claim against IPI for unpaid wages. The amount of the claim is \$110,210.62. The case is pending in the CNMI Superior Court as case no. 22-0062. The default of IPI has been entered, and a Motion for Default Judgment is pending.

(l) Donny Vince Seman Fejeran has a claim against IPI for negligence, based upon the alleged failure of scaffolding erected on the outside of IPI's building. Counsel reports that the claim "will likely be in excess of a million dollars." The case is pending before the CNMI Superior Court, Civil Action no. 21-0100. IPI's default has been entered, and a Motion for Default Judgment is pending.

(m) Kan Pacific Saipan, Ltd., has a claim against IPI for breach of a 2016 Settlement Agreement. The current dollar amount of the claim is \$4,490,000.00 plus attorney's fees and costs. The case is pending before this Court as case no. 1:21-cv-00034. Counsel reports that "a judgment is expected to be rendered therein in November 2022".

(n) The Law Office of Michael W. Dotts, LLC, has a claim against IPI for breach of contract for professional services. The amount of the claim is \$425,764.44. A judgment in favor of The Law Office of Michael W. Dotts, LLC, was entered by the CNMI Superior Court in Civil Action no. 21-0277.

(o) Genc has two claims against IPI. The first is a breach of contract claim brought on behalf of a class of 102 Turkish workers. The amount of the claim is estimated by counsel at “just over \$1 million”. The case is pending before this Court, case no. 20-cv-0031. Genc has a second claim pending against IPI under Title VII. Counsel has no estimate of damages. The case is pending before this Court as case no. 22-cv-0002. This Court has granted a motion to dismiss the case with leave to amend. The receiver has no further information as to the status of the case.

(p) Angel Playing Cards has a claim against IPI for the balance due on the purchase of playing cards. Counsel reports that he is “about to file a breach of contract claim in Superior Court”. Damages are estimated at \$68,000.00.

(q) Joshua Gray has a claim against IPI for wrongful termination. The case is pending before this Court. The amount of the claim is \$3,939,768.00 in compensatory damages, plus punitive damages, attorney’s fees and costs. Counsel reports that Gray’s motion for a default judgment was filed on October 7, 2022. Gray recently moved this court for leave to participate in the receivership.

(r) The Commonwealth Government has claims against IPI for unpaid taxes, penalties, and interest. The total amount of the claim is \$9,525,362.86. According to the Government, tax liens have been filed. The Receiver understands that no litigation has been filed to enforce the liens. The Government has recently moved the Court for leave to participate in the receivership.

(s) Atkins Kroll (Saipan), Inc., has a claim against IPI for vehicle rentals. The current balance due on the claim is \$78,403.34. A judgment upon the claim was entered in on September 21,

2021, in the CNMI Superior Court, case no. 20-0213. Notice of intent to participate in the receivership has been filed with the Court, ECF 156.

(t) Ecolab (Guam) LLC, has a claim against IPI for merchandise purchased by IPI from Ecolab. The current amount of the claim is \$17,629.84. A judgment upon the claim was entered on February 2, 2022, by the CNMI Superior Court, in Civil Action no. 21-0130. Notice of intent to participate in the receivership has been filed with the Court, ECF 156.

(u) G4S Security Services (CNMI), Inc., has a claim against IPI for unpaid security services. The current amount of the claim is \$11,711.23. A judgment was entered upon the claim on January 26, 2021, by the CNMI Superior Court, in Civil Action no. 20-0166. Notice of intent to participate in the receivership has been filed with the Court, ECF 156.

A search of the File & ServeXpress database indicates no other unresolved cases in which IPI is a party defendant.

2. Receiver's expenses.

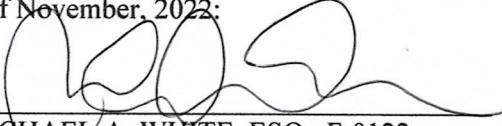
(a) Fees. Fees for the receiver are fixed at 10% of sales. To date, sales have totaled \$711,600.00, which includes \$301,500.00 from Angel Playing Cards and \$410,100.00 from the purchases at the October 7 auction. Accordingly, the Receiver is entitled to fees of \$71,116.00.

(b) Expenses. Through November 14, the Receiver has incurred expenses in connection with sales conducted to date in the amount of \$22,918.28. A detailed itemization of these expenses will be provided when the Receiver asks the Court for authority to disburse such funds from the funds currently being held in escrow. If the Court requires this detailed presentation at an earlier date, the Receiver would be happy to provide the same.

These figures do not include unbilled legal fees and expenses. The undersigned roughly estimates these at \$4,000.00. Once again, a detailed itemization will be provided when a request is made for disbursement of funds.

3. Other information. The receiver would be happy to provide such other and further information regarding the conduct of the receivership as the Court may require.

DATED, this 16th day of November, 2022:



MICHAEL A. WHITE, ESQ., F-0122
Attorney for Receiver

Michael White

From: Michael White [mwhite@saipan.com]
Sent: Saturday, October 08, 2022 7:27 PM
To: 'Richard Miller'; 'bruce berline'; 'Denny Nie'; 'john_lowrey@cnmioag.org'; 'dustin_rollins@cnmioag.org'; 'Colin Thompson'; 'eric.yau@eeoc.gov'; 'Mark Scoggins'; 'mcdouletlaw@gmail.com'; 'Sam M'; 'Michael Dotts'; 'Aaron Halegua'; 'Aaron Halegua'
Cc: bekke white; 'Salyer, Samuel'
Subject: IPI Receivership

Gentlemen:

As you are probably aware, I represent Clear Management Group, which has been appointed by the US District Court to receive and sell certain assets of Imperial Pacific International, Inc., ("IPI") for the benefit of creditors. The District Court has asked Clear Management to assemble a list of creditors, with details regarding their claims, in anticipation of the possible distribution of the proceeds of sale. To this end, I would appreciate your responses to the following questions.

1. THE NAME OF YOUR CLIENT HAVING A CLAIM AGAINST IPI. Please provide a separate response for each client or group of clients you represent.
2. THE CURRENT DOLLAR AMOUNT OF THE CLIENT'S CLAIM. If your client's claim has been paid or satisfied, please so state; and there is no need to respond to the remaining questions.
3. THE NATURE AND BASIS OF THE CLIENT'S CLAIM. Just a brief summary will do.
4. HAS YOUR CLIENT'S CLAIM BEEN REDUCED TO JUDGMENT? If so, please provide a copy of the judgment. If not, please indicate the current state of litigation, if any.
5. HAS YOUR CLIENT NOTIFIED THE DISTRICT COURT OF ITS CLAIM AND EXPRESSED THE INTENT TO PARTICIPATE IN THE RECEIVERSHIP? If so, please indicate the document (ECF) number in case no. 1-20-00003.

I believe that I have sent this message to all attorneys who have entered an appearance on behalf of a creditor. If you think I may have missed someone, please feel free to let me know and to forward this message.

I'm sending a copy of this message to my secretary with instructions to forward it to you, since many email servers do not like saipan.com. I apologize if you get two copies of this message.

I thank you for your time, and look forward to receiving your responses.

Michael

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11/16/2022